



June 1, 2020

Jude Daye, Executive Assistant
Blue Cross and Blue Shield of Vermont
445 Industrial Lane
Montpelier, VT 05601

Re: Blue Cross and Blue Shield of Vermont
3Q 2020 LG Rating Program Filing
SERFF Tracking #: BCVT-132350241

Dear Jude Daye:

Thank you for your previous responses. The following additional information is required for this filing.

Questions:

1. It appears from the filing materials that the average group renewing during the rating period will experience a rate increase of approximately 7.0%. Understanding that this increase results both from formula/factor changes as well as the groups' actual experience, please confirm that this amount reflects a reasonable estimate based on information available at this time, or provide an alternate value. We note that while the precise, complete experience used for group-level rating is "unknowable prior to the time of rating." However, the basis for the manual rate in this filing is projecting 2019 claims (which are approximately known) forward to later periods.
2. Provide more detail regarding the unit cost trends and hospital budgets.

Please be aware that we expect to have further questions regarding the filing as the review continues.

To ensure that the review of your filing has been completed before statutory deadlines, we expect you to respond as expeditiously as possible to every objection in our letter, but no later than June 8, 2020. Note that the responses can be submitted separately and do not have to be submitted all at the same time.

We trust that you understand these forms may not be used in Vermont until they are formally approved by the GMCB.

Sincerely,

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